

EXHIBIT 1

INTRODUCTION

Respondent Scott Cook (“Respondent”) made seven political contributions totaling \$96,000 from January 1, 2001 through June 30, 2004. In calendar years 2001, 2002, 2003, and 2004, Respondent made contributions of \$10,000 or more, and thereby qualified each year as a “major donor committee” under the Political Reform Act (the “Act”).¹ As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

As a major donor committee, Respondent was required to file a campaign statement, commonly known as a “major donor statement,” disclosing its contributions made during the following five reporting periods: two contributions totaling \$11,000 from January 1, 2001 through June 30, 2001; one \$10,000 contribution from July 1, 2001 through December 31, 2001; two \$20,000 contributions from January 1, 2002 through December 31, 2002; one \$10,000 contribution from January 1, 2003 through December 31, 2003; and one \$25,000 contribution from January 1, 2004 through June 30, 2004. Respondent failed to timely file the five campaign statements as required by the Act.²

For the purposes of this stipulation, Respondent’s violations of the Act are stated as follows:

COUNT 1: Respondent Scott Cook failed to timely file a semi-annual campaign statement for the reporting period January 1, 2001 through June 30, 2001 by the July 31, 2001 due date, in violation of section 84200, subdivision (b).

COUNT 2: Respondent Scott Cook failed to timely file a semi-annual campaign statement for the reporting period July 1, 2001 through December 31, 2001 by the January 31, 2002 due date, in violation of section 84200, subdivision (b).

COUNT 3: Respondent Scott Cook failed to timely file a semi-annual campaign statement for the reporting period January 1, 2002 through December 31, 2002 by the January 31, 2003 due date, in violation of section 84200, subdivision (b).

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

² Because Respondent’s contribution activity did not exceed \$50,000 for any calendar year in question, Respondent was not obligated to file the required campaign statements online or electronically with the Secretary of State.

COUNT 4: Respondent Scott Cook failed to timely file a semi-annual campaign statement for the reporting period January 1, 2003 through December 31, 2003 by the February 2, 2004 due date, in violation of section 84200, subdivision (b).

COUNT 5: Respondent Scott Cook failed to timely file a semi-annual campaign statement for the reporting period January 1, 2004 through June 30, 2004 by the August 2, 2004 due date,³ in violation of section 84200, subdivision (b).

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that receipts and expenditures affecting election campaigns are fully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Major Donor Committees

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who directly or indirectly makes contributions totaling \$10,000 or more in a calendar year to, or at the behest of, candidates or committees. This type of committee is commonly referred to as a “major donor” committee.

Duty to File Semi-Annual Campaign Statements

Section 84200, subdivision (b) requires a major donor committee to file a semi-annual campaign statement for any reporting period in which the committee made campaign contributions. The first semi-annual statement covers the reporting period January 1 to June 30, and must be filed by July 31 of the same year. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year.

Section 82046, subdivision (b) specifies that the “period covered” by a campaign statement shall begin with the day after the closing date for the last statement filed. If a person has not previously filed a campaign statement, the period covered begins on January 1.

³ Deadlines for semi-annual campaign statements that fall on a Saturday, Sunday or official state holiday are extended to the next business day. (Regulation 18116.) Because January 31, 2004 and July 31, 2004 fell on a Saturday, these filing deadlines were extended to February 2, 2004 and August 2, 2004, respectively.

Section 84215, subdivision (a) requires that all major donor committees that make contributions to support or oppose state candidates, measures and committees, or to support or oppose local candidates and measures in more than one county, file their campaign statements with the offices of the Secretary of State, the Registrar-Recorder of Los Angeles County, the Registrar of Voters of the City and County of San Francisco, and the election official for the county in which they are domiciled, if different than those listed above.

SUMMARY OF THE FACTS

COUNT 1

On or about January 16, 2001, Respondent made a contribution in the amount of \$5,000 to the “Woodside Citizens for Quality Education, Yes on Measure A” committee. On or about March 15, 2001, Respondent made a contribution in the amount of \$6,000 to the “Kathleen Connell for Mayor” committee. By making two campaign contributions totaling \$11,000 during the semi-annual reporting period January 1, 2001 through June 30, 2001, Respondent qualified as a major donor committee under section 82013, subdivision (c).

Having qualified as a major donor committee, Respondent had a duty, under section 84200, subdivision (b), to file a semi-annual campaign statement for the reporting period January 1, 2001 through June 30, 2001, disclosing his campaign contributions made during the reporting period. Respondent was required to file the statement at all of the locations specified in section 84215, subdivision (a) by July 31, 2001. However, Respondent failed to file a semi-annual campaign statement by the July 31, 2001 due date, in violation of section 84200, subdivision (b).

COUNT 2

On or about July 14, 2001, Respondent made a contribution in the amount of \$10,000 to the “Steve Westly for Controller” committee for the reporting period July 1, 2001 through December 31, 2002. Respondent had already qualified as a major donor committee during the first semi-annual reporting period of calendar year 2001.

As a major donor committee, Respondent had a duty under section 84200, subdivision (b) to file a second semi-annual campaign statement for the reporting period July 1, 2001 through December 31, 2001, disclosing his campaign contributions made during the reporting period. Respondent was required to file the statement at all of the locations specified in section 84215, subdivision (a) by January 31, 2002. However, Respondent failed to file a semi-annual campaign statement by the January 31, 2002 due date, in violation of section 84200, subdivision (b).

COUNT 3

On or about October 29, 2002, Respondent made two contributions in the amount of \$20,000; one to the “Steve Westly for Controller” committee, and one to the “Friends of Phil Angelides” committee, and thereby qualified as a major donor committee under section 82013, subdivision (c) in the reporting period from July 1, 2002 through December 31, 2002.

Having qualified as a major donor committee during the second semi-annual reporting period, Respondent had a duty, under sections 84200, subdivision (b) and 82046, subsection (b), to file a campaign statement for the reporting period January 1, 2002 through December 31, 2002, disclosing its campaign contributions made during the year. Respondent was required to file the statement at all of the locations specified in section 84215, subdivision (a) by January 31, 2003. However, Respondent failed to file a semi-annual campaign statement by the January 31, 2003 due date, in violation of section 84200, subdivision (b).

COUNT 4

On or about September 23, 2003, Respondent made a contribution in the amount of \$10,000 to the “Californians Against the Costly Recall of the Governor” committee, and thereby qualified as a major donor committee under section 82013, subdivision (c) in the reporting period from July 1, 2003 through December 31, 2003.

Having qualified as a major donor committee during the second semi-annual reporting period, Respondent had a duty, under sections 84200, subdivision (b) and 82046, subdivision (b), to file a campaign statement for the reporting period January 1, 2003 through December 31, 2003, disclosing its campaign contributions made during the year. Respondent was required to file the statement at all of the locations specified in section 84215, subdivision (a) by February 2, 2004. However, Respondent failed to file a semi-annual campaign statement by the February 2, 2004 due date, in violation of section 84200, subdivision (b).

COUNT 5

On or about February 4, 2004, Respondent made a contribution in the amount of \$25,000 to the “Californians for an Open Primary PAC, Yes on 62, No on 60” committee, and thereby qualified as a major donor committee under section 82013, subdivision (c) for the reporting period from January 1, 2004 through June 30, 2004.

Having qualified as a major donor committee, Respondent had a duty, under section 84200, subdivision (b), to file a semi-annual campaign statement for the reporting period January 1, 2004 through June 30, 2004, disclosing its campaign contribution made during the reporting period. Respondent was required to file the statement at all of the locations specified in section 84215, subdivision (a) by August 2, 2004. However,

Respondent failed to file a semi-annual campaign statement by the August 2, 2004 due date, in violation of section 84200, subdivision (b).

CONCLUSION

This matter consists of five counts which carry a maximum administrative penalty of Twenty Five Thousand Dollars (\$25,000).

This case has been excluded from the Enforcement Division's Streamlined Major Donor Enforcement Program due to Respondent's prior history of violating the Act, Respondent's pattern of non-filing since 2001, and the total amount of the contributions he failed to timely report.

The appropriate administrative penalty for matters resolved outside the streamlined program has historically been determined on a case-by-case basis, and has varied depending on the mix of aggravating and mitigating circumstances. In this case, Respondent's violations are aggravated by Respondent's prior history, his pattern of non-filing over a period of four years, and the amount of undisclosed contributions. However, in mitigation Respondent filed two late contribution reports triggered by his contributions made on or about October 29, 2002. Also, Respondent retained a campaign consultant and filed the delinquent major donor campaign statements in both paper and electronic formats with the Secretary of State in early 2005. In light of these factors, a penalty at the higher end of the administrative penalty range is appropriate for each violation.

The facts of this case, including aggravating and mitigating factors, justify imposition of the agreed upon penalty of Twenty Thousand Dollars (\$20,000).